

## Article - Tax - General

§11–104.

(a) Except as otherwise provided in this section, the sales and use tax rate is:

(1) for a taxable price of less than \$1:

- (i) 1 cent if the taxable price is 20 cents;
- (ii) 2 cents if the taxable price is at least 21 cents but less than 34 cents;
- (iii) 3 cents if the taxable price is at least 34 cents but less than 51 cents;
- (iv) 4 cents if the taxable price is at least 51 cents but less than 67 cents;
- (v) 5 cents if the taxable price is at least 67 cents but less than 84 cents; and
- (vi) 6 cents if the taxable price is at least 84 cents; and

(2) for a taxable price of \$1 or more:

- (i) 6 cents for each exact dollar; and
- (ii) for that part of a dollar in excess of an exact dollar:
  - 1. 1 cent if the excess over an exact dollar is at least 1 cent but less than 17 cents;
  - 2. 2 cents if the excess over an exact dollar is at least 17 cents but less than 34 cents;
  - 3. 3 cents if the excess over an exact dollar is at least 34 cents but less than 51 cents;
  - 4. 4 cents if the excess over an exact dollar is at least 51 cents but less than 67 cents;

5. 5 cents if the excess over an exact dollar is at least 67 cents but less than 84 cents; and

6. 6 cents if the excess over an exact dollar is at least 84 cents.

(b) If a retail sale of tangible personal property or a taxable service is made through a vending or other self-service machine, the sales and use tax rate is 6%, applied to 94.5% of the gross receipts from the vending machine sales.

(c) (1) In this subsection:

(i) “short-term vehicle rental” means a rental of a passenger car, as defined in § 11-144.2 of the Transportation Article, or a vehicle that may be registered as a Class D, E, F, G, or M vehicle under Title 13, Subtitle 9 of the Transportation Article, for a period of 180 days or less under the following terms:

1. the vendor does not provide a driver for the vehicle as a part of the rental; and

2. if the vehicle is a passenger car, as defined in § 11-144.2 of the Transportation Article, a multipurpose passenger vehicle, or a motorcycle, the vehicle is not to be used to transport individuals or property for hire; and

(ii) “short-term vehicle rental” does not include a rental of:

1. a dump truck, as described in § 13-919 of the Transportation Article;

2. a tow truck, as described in § 13-920 of the Transportation Article;

3. a farm vehicle exempt from the sales and use tax under § 11-201(a) of this title; or

4. a shared motor vehicle used for peer-to-peer car sharing and made available on a peer-to-peer car sharing program, as defined in § 19-520 of the Insurance Article and that is subject to sales and use tax under subsection (c-1) of this section.

(2) The sales and use tax rate for a short-term vehicle rental for a taxable price of \$2 or more is:

(i) if the vehicle is a passenger car, a multipurpose passenger vehicle, or a motorcycle:

1. 23 cents for each exact multiple of \$2; and

2. for that part of \$2 in excess of an exact multiple of \$2:

A. 1 cent if the excess over an exact multiple of \$2 is at least 1 cent but less than 9 cents;

B. 2 cents if the excess over an exact multiple of \$2 is at least 9 cents but less than 18 cents;

C. 3 cents if the excess over an exact multiple of \$2 is at least 18 cents but less than 27 cents;

D. 4 cents if the excess over an exact multiple of \$2 is at least 27 cents but less than 35 cents;

E. 5 cents if the excess over an exact multiple of \$2 is at least 35 cents but less than 44 cents;

F. 6 cents if the excess over an exact multiple of \$2 is at least 44 cents but less than 53 cents;

G. 7 cents if the excess over an exact multiple of \$2 is at least 53 cents but less than 61 cents;

H. 8 cents if the excess over an exact multiple of \$2 is at least 61 cents but less than 70 cents;

I. 9 cents if the excess over an exact multiple of \$2 is at least 70 cents but less than 79 cents;

J. 10 cents if the excess over an exact multiple of \$2 is at least 79 cents but less than 87 cents;

K. 11 cents if the excess over an exact multiple of \$2 is at least 87 cents but less than 96 cents;

L. 12 cents if the excess over an exact multiple of \$2 is at least 96 cents but less than \$1.05;

M. 13 cents if the excess over an exact multiple of \$2 is at least \$1.05 but less than \$1.14;

N. 14 cents if the excess over an exact multiple of \$2 is at least \$1.14 but less than \$1.22;

O. 15 cents if the excess over an exact multiple of \$2 is at least \$1.22 but less than \$1.31;

P. 16 cents if the excess over an exact multiple of \$2 is at least \$1.31 but less than \$1.40;

Q. 17 cents if the excess over an exact multiple of \$2 is at least \$1.40 but less than \$1.48;

R. 18 cents if the excess over an exact multiple of \$2 is at least \$1.48 but less than \$1.57;

S. 19 cents if the excess over an exact multiple of \$2 is at least \$1.57 but less than \$1.66;

T. 20 cents if the excess over an exact multiple of \$2 is at least \$1.66 but less than \$1.74;

U. 21 cents if the excess over an exact multiple of \$2 is at least \$1.74 but less than \$1.83;

V. 22 cents if the excess over an exact multiple of \$2 is at least \$1.83 but less than \$1.92; and

W. 23 cents if the excess over an exact multiple of \$2 is at least \$1.92 but less than \$2.00; or

(ii) if the vehicle is a vehicle that may be registered as a Class E, F, or G vehicle under Title 13, Subtitle 9 of the Transportation Article:

1. 8 cents for each exact dollar; and
2. 2 cents for each 25 cents or part of 25 cents in excess of an exact dollar.

(c-1) The sales and use tax rate for sales and charges made in connection with a shared motor vehicle used for peer-to-peer car sharing and made available on a

peer-to-peer car sharing program, as defined in § 19–520 of the Insurance Article, is:

(1) except as provided in item (2) of this subsection, 8% of the taxable price; and

(2) 11.5% of the taxable price, if the vehicle is a passenger car, a multipurpose passenger vehicle, or a motorcycle that is part of a fleet of vehicles that includes more than 10 vehicles owned by the same person.

(d) The sales and use tax rate for the first retail sale of a manufactured home, as defined in § 12–301(g) of the Public Safety Article, is the rate imposed under subsection (a) of this section applied to 60% of the taxable price.

(e) The rate of the hotel surcharge imposed under § 11–102(b) of this subtitle is 2.5% of the taxable price.

(f) (1) In this subsection, “modular building” includes single-family or multifamily houses, apartment units, or commercial buildings, and permanent additions to single-family or multifamily houses, apartment units, or commercial buildings, comprised of one or more sections that are:

(i) intended to become real property;

(ii) primarily constructed at a location other than the permanent site at which they are to be assembled;

(iii) built to comply with the standards for industrialized buildings under Title 12, Subtitle 3 of the Public Safety Article; and

(iv) shipped with most permanent components in place.

(2) The sales and use tax rate for the sale of a modular building is the rate imposed under subsection (a) of this section applied to 60% of the taxable price.

(g) The sales and use tax rate for the sale of an alcoholic beverage, as defined in § 5–101 of this article, is:

(1) 9% of the charge for the alcoholic beverage; and

(2) 6% of a charge that is made in connection with the sale of an alcoholic beverage and is stated as a separate item of the consideration and made known to the buyer at the time of sale for:

(i) any labor or service rendered;

(ii) any material used; or

(iii) any property sold.

(h) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Dyed diesel fuel” means diesel fuel that is dyed under U.S. Environmental Protection Agency rules for high sulfur diesel fuel or is dyed under Internal Revenue Service rules for nontaxable use.

(iii) “Marina” means a person who maintains a place of business where motor fuel is sold primarily to vessels.

(2) If a retail sale of dyed diesel fuel is made by a marina, the sales and use tax rate is 6%, applied to 94.5% of the gross receipts from the dyed diesel fuel sales.

(i) The sales and use tax rate for a mandatory gratuity or service charge in the nature of a tip for serving food or any type of beverage to a group of more than 10 individuals is 6%.

(j) (1) (i) In this subsection, the following words have the meanings indicated.

(ii) “Electronic smoking device” has the meaning stated in § 16.7–101 of the Business Regulation Article.

(iii) “Tobacco pipe” means a pipe made primarily of meerschaum, wood, or porcelain, with a bowl designed to be used without a screen or filter.

(iv) “Vaping liquid” has the meaning stated in § 16.7–101 of the Business Regulation Article.

(2) Except as provided in paragraph (3) of this subsection, the sales and use tax rate is 12% of the taxable price for:

(i) electronic smoking devices; and

(ii) tobacco pipes.

(3) The sales and use tax for vaping liquid sold in a container that contains 5 milliliters or less of vaping liquid is 60% of the taxable price.